

AGENDA
FREMONT REDEVELOPMENT AGENCY REGULAR MEETING
MAY 19, 2009
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 *Approval of Minutes for the Regular Meeting of April 28, 2009, and the Special and Regular Meetings of May 5, 2009.*

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS – None.

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

5.2 **AUTHORIZATION TO: 1) CONVEY OWNERSHIP OF THE NILES TOWN PLAZA PROPERTY FROM THE REDEVELOPMENT AGENCY TO THE CITY; AND 2) PURCHASE TWO CITY-OWNED PARKING LOTS IN NILES**
Authorization for the Agency Executive Director to Execute Such Documents as Necessary to Convey the Niles Town Plaza property to the City; Authorization for the Executive Director to Acquire Two Parking Lots (37482 & 37682 Niles Boulevard) from the City of Fremont

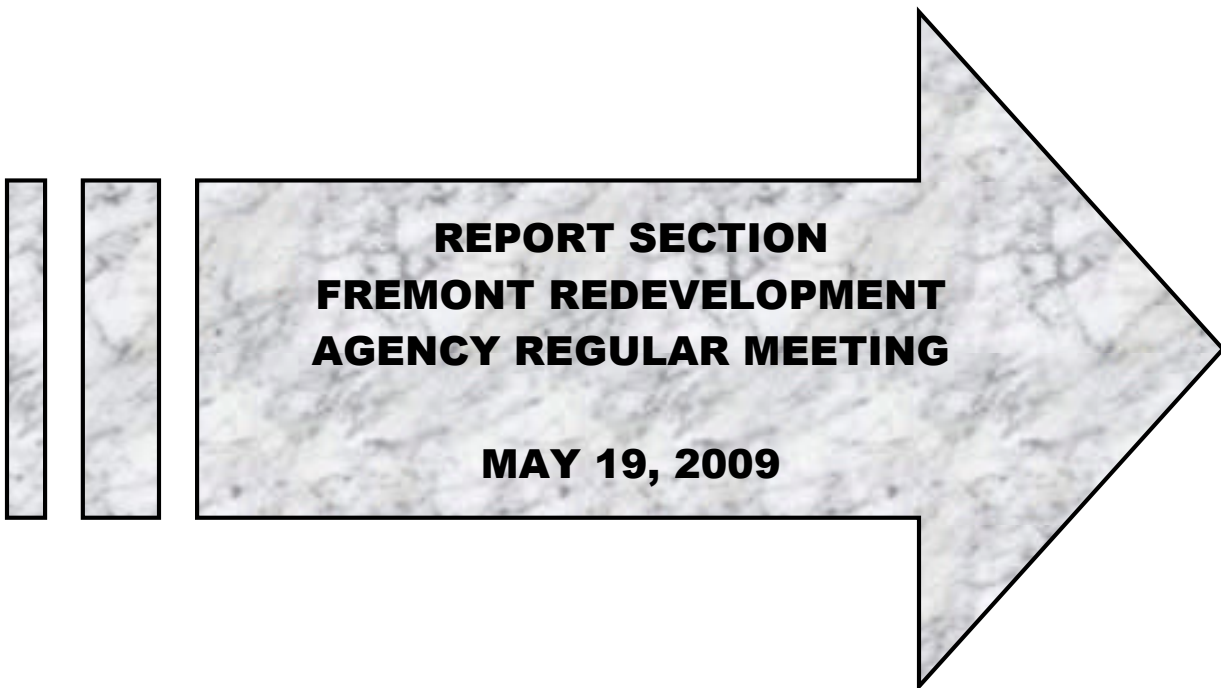
Contact Person:

Name:	Josh Huber	Elisa Tierney
Title:	Project Manager	Director
Dept.:	Redevelopment Agency	Redevelopment Agency
Phone:	510-494-4513	510-494-4501
E-Mail:	jhuber@fremont.gov	etierney@fremont.gov

RECOMMENDATIONS:

1. Authorize the Executive Director, or his designee, to take such action and execute such documents as necessary to transfer ownership of the Niles Town Plaza to the City of Fremont.
2. Authorize the Executive Director, or his designee, to take such action and execute such documents as necessary to purchase the properties occupied by parking lots at 37482 and 37682 Niles Boulevard for a purchase price not to exceed \$2,262,200, contingent on a commitment by the City of Fremont to reimburse the Redevelopment Agency for the net cost of the environmental remediation of the properties.

6. ADJOURNMENT



5.1 Report Out from Closed Session of Any Final Action

5.2 AUTHORIZATION TO: 1) CONVEY OWNERSHIP OF THE NILES TOWN PLAZA PROPERTY FROM THE REDEVELOPMENT AGENCY TO THE CITY; AND 2) PURCHASE TWO CITY-OWNED PARKING LOTS IN NILES
Authorization for the Agency Executive Director to Execute Such Documents as Necessary to Convey the Niles Town Plaza property to the City; Authorization for the Executive Director to Acquire Two Parking Lots (37482 & 37682 Niles Boulevard) from the City of Fremont

Contact Person:

Name:	Josh Huber	Elisa Tierney
Title:	Project Manager	Director
Dept.:	Redevelopment Agency	Redevelopment Agency
Phone:	510-494-4513	510-494-4501
E-Mail:	jhuber@fremont.gov	etierney@fremont.gov

Executive Summary: A companion item is on the City Council agenda for consideration this evening. Staff is requesting the Agency Board take two actions relating to disposition of the former Union Pacific railyard property (UP Property) in Niles:

1. The first action requests that the Agency Board authorize the conveyance of the Niles Town Plaza property to the City. The Agency's conveyance of the property to the City was always anticipated as part of the project. Since the Plaza is currently under construction and is anticipated to be completed in the fall of this year, now is an appropriate time to convey the property.
2. The second item for Agency Board consideration is the purchase of the two City-owned parking lots at 37482 and 37682 Niles Boulevard in order to remove any soils contamination existing on the sites in anticipation of development as part of a commercial/mixed use project.

Staff recommends the Agency Board approve the requested actions.

BACKGROUND: In September 2001, the City Council adopted the *Niles Concept Plan*, which laid out a vision and strategy for future development in Niles. The vision for the redevelopment of the Niles District calls for the creation of a diverse mix of retail amenities and an increase in daytime population. Toward these ends, the Plan specifically contemplated the development of the UP Property and the provision of parking behind buildings on Niles Boulevard to "maintain the pedestrian experience." In addition, the design and development of a town plaza in the heart of the Niles District was one of the principal strategies identified in the Plan to strengthen community identity and stimulate economic revitalization. The City Council and the Redevelopment Agency Board approved the Niles Town Plaza conceptual design on July 12, 2005, with the understanding that while the Agency would fund the design and construction, the City would eventually own and operate it.

Although acquisition of the two parking lots occurred in 1978 and the Agency obtained possession of the rest of the UP Property in February 2000 through condemnation, it was not until 2005 that the City for environmental contamination of soils on the site caused by railroad operations. With this settlement agreement, the Agency and the City assumed responsibility for the environmental remediation of the

entire site, including the two parking lots already owned by the City. In early 2008, the Agency completed the first phase of environmental remediation, which cleaned the portion of the site slated for the Niles Town Plaza, currently under development. It is anticipated that the Agency will begin the second phase of remediation in the coming fiscal year.

DISCUSSION/ANALYSIS: There are both immediate and longer term reasons for the Agency to acquire ownership of the parking lots. In the immediate term, the site would be eligible for grant funding from the U.S. Environmental Protection Agency (EPA) to partially fund environmental remediation. An initial grant of \$200,000 was secured in 2007 for remediation of the portion of UP Property currently owned by the Redevelopment Agency. Last year, the Agency submitted an additional \$200,000 grant request to the EPA for the remediation of the parking lots. As one of the conditions for grant eligibility, the Agency must own the property. If the second grant is awarded, there would be a total of \$400,000 available for remediation work so long as the Agency is able to acquire the City-owned parking lots before the end of June 2009.

In February 2009, the City secured an appraisal of the two parking lots that valued the property – if clean of contamination - at \$2,262,200. Staff proposes purchasing the property for the appraised value less the net cost of remediation of the two parking lots. However, the actual cost of remediation will not be known until mid-2010. Based on the actual square footage cost of the first phase of remediation and the grant, staff believes the total cost will be somewhere between \$500,000 and \$700,000.

On a longer term basis, the acquisition of the parking lots will allow the Agency to assemble them with the balance of the UP Property and pursue development of the north side of Niles Boulevard consistent with the vision outlined in the Niles Concept Plan.

Despite the current economic climate, this is an ideal time to plan and prepare for site development of the Niles Town Center project. It is anticipated that development approvals will require three to five years of work on site assembly, community outreach and participation, environmental remediation, and entitlements.

FISCAL IMPACT: There is no fiscal impact to the Agency of transferring ownership of the Niles Town Plaza property to the City. It is anticipated that the fiscal impact of the Agency's purchase of the parking lots will be approximately \$1.6 to \$1.8 million (\$2.3 million minus the net cost of environmental remediation. After applying the grant funds received by the agency the amount would be \$1.6 to \$1.8 million). Funding for the acquisition of the parking lots is available in the Agency's proposed FY 2009/10 budget. A source of funding prior to July 1, 2009 is the Agency's Opportunity/Contingency account, which will be replenished for this "loan" with the adoption of the FY 2009/10 operating budget.

ENVIRONMENTAL REVIEW: Both property transfer actions are consistent with the project descriptions of previously adopted negative declarations. The California Department of Toxic Substance Control (DTSC) acted as a lead agency for the site cleanup approval. DTSC adopted a negative declaration (State Clearinghouse No. 2006082089, dated September 28, 2006) for the approval of activities necessary to remediate the site. The agency acquisition of property with the intent to remediate contaminated soils is consistent with the previous project. There are no proposed changes to the project or change in circumstances regarding significant environmental effects, nor has there been new

information provided which was not or could not have been known regarding the project that requires subsequent CEQA review.

ENCLOSURES:

- 1) [Niles Town Plaza Property Conveyance Agreement](#)
- 2) [Niles Parking Lots Property Conveyance Agreement](#)
- 3) [Resolution of the Redevelopment Agency of the City of Fremont Approving Acceptance of Two City Parking Lot Properties from the City of Fremont for Remediation and Redevelopment to Benefit the Niles Redevelopment Project Area Portion of the Fremont Merged Project Area](#)
- 4) [Resolution of the Redevelopment Agency of the City of Fremont Approving Conveyance of the Niles Town Plaza Property to the City of Fremont for Use and Operation of Public Facilities of Benefit to the Niles Redevelopment Project Area Portion of the Merged Project Area](#)

RECOMMENDATIONS:

1. Authorize the Executive Director, or his designee, to take such action and execute such documents as necessary to transfer ownership of the Niles Town Plaza to the City of Fremont.
2. Authorize the Executive Director, or his designee, to take such action and execute such documents as necessary to purchase the properties occupied by parking lots at 37482 and 37682 Niles Boulevard for a purchase price not to exceed \$2,262,200, contingent on a commitment by the City of Fremont to reimburse the Redevelopment Agency for the net cost of the environmental remediation of the properties.